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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF SANTA CLARA**

10
11 THE DIRECTOR OF THE DEPARTMENT OF
12 MANAGED HEALTH CARE OF THE STATE
OF CALIFORNIA,

13 Petitioner,

14 vs.

15 LIFEGUARD, INC.,

16 Respondents.

) Case No. CV811257

) **ORDER GRANTING MOTION OF**
) **RECEIVER FOR AN ORDER**
) **ESTABLISHING PROCEDURES FOR**
) **CREDITORS' OBTAINING NOTICE OF**
) **FUTURE HEARINGS**

) Date: January 28, 2003
) Time: 9:00 a.m.
) Dept: 16

17
18 This matter came on regularly for hearing on January 28, 2003, before the Honorable Judge
19 of the Superior Court of the State of California, in the above-referenced Department, of the above-
20 entitled court, with Steven J. Schwartz, appearing on behalf of Richard K. Diamond, the duly
21 appointed Receiver of Lifeguard, Inc. Other appearances were as noted on the record.

22 The Court having read and considered the Motion of Receiver for an Order Establishing
23 Procedures for Creditors' Obtaining Notice of Future Hearings (the "Motion"), the Memorandum of
24 Points and Authorities and Declarations filed in support thereof, no opposition having been
25 received, notice having been proper, the Court being fully advised and good cause appearing
26 therefor, it is ordered as follows:

- 27 1. The Motion is granted in its entirety.
28 2. Notice of this Motion was proper.

3. Notice to creditors of future actions in this case shall be given in accordance with the terms set forth in the Motion.

4. Notice to all creditors of the notice procedures authorized by this Order shall be given in substantially the same form as is attached hereto as Exhibit "A".

Kevin E. McKenney

Dated: **JAN 28 2003**

JUDGE OF THE SUPERIOR COURT OF
THE STATE OF CALIFORNIA

EXHIBIT A

NOTICE TO CREDITORS AND PARTIES-IN-INTEREST

This matter arises in the case of The Director of the Department of Managed Health Care ("DMHC") of the State of California v. Lifeguard, Inc. ("Lifeguard"), Santa Clara County Superior Court (the "Court") 191 North First Street, San Jose, CA 95113 (408) 299-2964, Case No. CV811257. On January 16, 2003, the DMHC filed a Verified Complaint for Involuntary Dissolution of Lifeguard under section 8510 of the California (Non-profit) Corporations Code. On January 16, 2003, an order was entered by the Court appointing Richard K. Diamond as the Receiver of Lifeguard.

PLEASE TAKE NOTICE that on January 28, 2003, the Court entered an order authorizing the winding down and dissolving of Lifeguard, pursuant to section 8514 of the Non-profit Corporations Code.

PLEASE TAKE FURTHER NOTICE that on January 28, 2003, the Court entered an order approving the Receiver's Motion for an Order Establishing Procedures for Creditors' Obtaining Notice of Future Hearings (the "Motion"). This action has been taken in order to preserve estate resources, which will ultimately affect the total distribution to creditors in this case. Written notice of all future proceedings shall be given only to those creditors as designated in the Motion, including those who appear on the special notice list. However, copies of all future pleadings shall be available for downloading at Lifeguard, Inc.'s website at www.lifeguard.com. The order does not affect notice to any party against whom direct relief is sought by motion, application or otherwise. To be included on the special mailing list, you must send a written request to be included on such list to each of the following parties:

- Counsel for the Receiver, at the following address:

Steven J. Schwartz
Danning, Gill, Diamond & Kollitz, LLP
2029 Century Park East, Third Floor
Los Angeles, California 90067-2904

- Counsel for the DMHC, at the following address:

Joan W. Cavanagh
Assistant Deputy Director
California Department of Managed Health Care
980 Ninth Street, Suite 500
Sacramento, CA 95814-7243

DATED:

Richard K. Diamond, Receiver

EXHIBIT A